

Before The  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

RATE ADJUSTMENT DUE TO EXTRAORDINARY  
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2013-11

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO QUESTIONS 1-36 AND 37 (A-E) OF  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17  
(May 15, 2015)**

The United States Postal Service hereby provides its responses to questions 1-36 and 37(a-e) of Presiding Officer's Information Request No. 17 ("POIR No. 17"), dated May 11, 2015. Each question is stated verbatim and is followed by the response.<sup>1</sup> Due to the absence of a key employee, the Postal Service was not able to provide responses to question 37(f-h) today (which pertains to relatively minor special services).<sup>2</sup>

In POIR No. 17 the Commission also requested that the Postal Service file conforming changes to the workpapers filed with its Revenue Collection Reports for Quarters 2, 3, and 4 of FY 2014. Due to the limited time provided to prepare materials

---

<sup>1</sup> It should be noted that Excel workbooks ExigSrchgRevPER(1Q15)Rev515.xlsx and ExigSrchgRevSPEC-SERV(2Q15)Rev515.xls are provided in response to the Commission's general request that the Postal Service file revised workpapers for its Revenue Collection Report for Quarter 1 of FY 2015 to reflect any changes resulting from POIR No. 17. Additionally, Excel workbook ExigSrchgRevCUMLT(2-4Q14+1Q15)Rev.xlsx is provided in response to questions 7 and 8. This file does not include corrections made in response to any other POIR questions. A fully revised workbook will be submitted when the Postal Service files the remaining responses to question 37(f-h).

<sup>2</sup> Since the Postal Service was not able to provide responses to question 37(f-h), the revised Special Services workpapers for Quarter 1 of FY 2015 do not reflect all of the corrections requested in POIR No. 17. As a result, the Postal Service was also not able to produce a complete revision to the Revenue Collection Report for Quarter 1 of FY 2015, which shows the total surcharge revenue collected during that time period. Revisions to the Special Services workpapers and the Revenue Collection Report for Quarter 1 of FY 2015 will be submitted when the Postal Service files its responses to Question 37(f-h).

responsive to this information request, the Postal Service was not able to complete the conforming changes to the workpapers from these prior quarters.

The responses to question 37(f-h) and the conforming changes to prior quarters will be filed with the Commission next week. The Postal Service does not anticipate that this forthcoming information will materially impact the overall exigent surcharge revenue collected to date.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Pricing & Product Support

---

Eric P. Koetting  
John F. Rosato  
David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-8597, Fax -6187  
May 15, 2015

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

**Standard Mail**

1. Please refer to Excel file "ExigSrchgRevSTM(1Q15).xlsx,"<sup>3</sup> tab "Detailed Exig. Rev. Comp."
  - a. Please confirm that the category "Nonprofit Carrier Route Letters, Flats, and Parcels" does not include the revenues for nonprofit Carrier Route parcels. See tab "HD-Sat-CR Revenue@CPI Prices," cells D91:E96 and tab "HD-Sat-CR Revenue@Exig. Prices," cells D88:E93. If not confirmed, please explain.
  - b. If part (a) is confirmed, please file a revised Excel file "ExigSrchgRevSTM(1Q15).xlsx," that includes nonprofit Carrier Route parcels in tab "Detailed Exig. Rev. Comp."

**RESPONSE:**

- a. Confirmed.
- b. Please see "ExigSrchgRevSTM(1Q15) Rev515.xlsx," which corrects this inadvertent omission. Correcting the omission adds \$14 to the FY 2015, Quarter 1 Exigent Surcharge Calculation. Previous quarters were reviewed for similar omissions; no volumes for Nonprofit Carrier Route parcels were found for the previous quarters dating back to FY 2014, Quarter 2.

---

<sup>3</sup> See the Revenue Collection Report for Quarter 1 of FY 2015, filed on March 17, 2015.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 2.** Please refer to Excel file "ExigSrchgRevSTM(1Q15).xlsx," tab "Detailed Exig. Rev. Comp" and Response to POIR 3, question 3 filed on June 6, 2014.
- a. Please confirm that the revenues associated with the following categories should be included in their respective High Density and Saturation exigent price change calculation:
    - i. Every Door Direct Mail—Commercial (Commercial) (row 38)
    - ii. Every Door Direct Mail—Commercial (Nonprofit) (row 39)
    - iii. Detached Address Label—Commercial (row 40)
    - iv. Detached Address Label—Non-profit (row 41)
    - v. IMb Adjustment (row 42)
  - b. If part (a) is confirmed, please file a revised Excel file "ExigSrchgRevSTM(1Q15).xlsx," that includes the categories listed in part (a). If part (a) is not confirmed, please explain.

**RESPONSE:**

- a. Confirmed.
- b. Please see "ExigSrchgRevSTM(1Q15) Rev515.xlsx." These revisions do not impact the total Standard Mail Exigent Surcharge revenue calculations for FY 2015, Quarter 1, but moved revenues from outside to inside the High Density categories.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

3. Please refer to Excel file "ExigSrchgRevSTM(1Q15).xlsx," tab "Branded Color Mobile Tech Prom."
- a. Please provide the underlying calculations used to determine the Branded Color Mobile Technology Promotion's exigent surcharge revenue adjustment. (See column F.)
  - b. As illustrated in POIR No. 13, question 4, filed on June 6, 2014, the exigent percentage change in prices is used to calculate the promotion's exigent surcharge revenue adjustment. Therefore, please file a revised Excel file "ExigSrchgRevSTM(1Q15).xlsx," tab "Branded Color Mobile Tech Prom" that uses the percentage change in exigent prices for High Density and Saturation letters and flats provided in response to 2b.

**RESPONSE:**

- a. There was no "Branded Color Mobile Tech Prom" tab in the Excel file "ExigSrchgRevSTM(1Q15).xlsx," as the Postal Service did not run a Branded Color Mobile Technology Promotion in FY 2015, Quarter 1. The Postal Service did however run a Mail Drives Mobile Promotion in FY 2015, Quarter 1, and provided calculations for this promotion in tab "Mail Drives Mobile Promo." The exigent revenues in column F were calculated by multiplying each discount for all categories times 4.3 percent.
- b. The 4.3 percent discount for all categories from the "Standard Mail Drives Mobile" tab have been replaced by the exigent surcharge percentage for each category from the tab "Detailed Exig. Rev Comp." tab. These revisions caused the total impact of promotions on FY 2015, Quarter 1 to change from -\$521,382 to -\$496,459. These revised calculations are shown in "ExigSrchgRevSTM(1Q15)Rev515.xlsx."

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

**Periodicals**

4. Please confirm that in the file "ExigSrchgRevPER(1Q15).xlsx"<sup>4</sup> tab "Classroom BD" cell D7, DFSS pounds should be 498. If not confirmed, please explain.

**RESPONSE:**

Confirmed.

---

<sup>4</sup> See the Revenue Collection Report for Quarter 1 of FY 2015, filed on March 27, 2015.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

5. Please confirm that in the file "ExigSrchgRevPER(1Q15).xlsx" tab "Regular Rate BD" cells E166 to E173 should be in cells E167 to E174. If not confirmed, please explain.

**RESPONSE:**

Confirmed, except that cell E173 can be omitted because it contains extraneous data. The numbers in cells E166 to E172 should be in cells E167 to E173.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

6. In the file "ExigSrchgRevPER(1Q15).xlsx" tab "Regular Rate BD" cell E183 contains a formula that references spreadsheets not provided by the Postal Service. Please provide the spreadsheets referenced in cell E183.

**RESPONSE:**

The formula reference in cell G183 (not E183) was inadvertently retained from the FY 2014, Quarter 2 file, resulting in an error regarding the Limited Circulation discount. For FY 2015, Quarter 1 (as well as FY 2014, Quarters 3 and 4), cell G183 should be the same number as cell I183.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

**Package Services**

7. In Excel file "ExigSrchgRevPACK-SERV(4Q14).xlsx,"<sup>5</sup> the Postal Service reports the FY 2014 Quarter 4 billing determinants for Alaska Bypass in tab "Alaska Bypass BD."
- a. Please confirm that the billing determinants used in the calculation of revenue accumulated from the exigent surcharge on tabs "Alaska Bypass @ R2013-10 Prices" and "AK Bypass Rev @ R2013-11 Prices" do not match the billing determinants in tab "Alaska Bypass BD." If not confirmed, please explain.
  - b. If part (a) is confirmed, please revise Excel file "ExigSrchgRevPACK-SERV(4Q14).xlsx," and Excel file "ExigSrchgRevCUMMLTV(2-4Q14, 1Q15).xlsx,"<sup>6</sup> to reflect the FY 2014 Quarter 4 billing determinants for Alaska Bypass in tab "Alaska Bypass BD."
  - c. If part (a) is confirmed, please also revise Excel file "ExigSrchgRevCUMMLTV(2-4Q14, 1Q15).xlsx,"<sup>7</sup> to reflect the corrections made in part b.

**RESPONSE:**

- a. Confirmed.
- b. Please see "ExigSrchgRevPACK-SERV(4Q14)Rev515.xlsx".
- c. Please see "ExigSrchgRevCUMMLTV(2-4Q14, 1Q15)Rev.xlsx".

---

<sup>5</sup> See the Revenue Collection Report for Quarter 4 of FY 2014, filed on November 18, 2014.

<sup>6</sup> See the Revenue Collection Report for Quarter 1 of FY 2015, filed on March 27, 2015.

<sup>7</sup> See the Revenue Collection Report for Quarter 1 of FY 2015, filed on March 27, 2015.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

8. In Docket No. R2015-4, on March 12, 2015, the Postal Service filed updated FY 2014 Quarter 4 billing determinants for Bound Printed Matter in Library Reference USPS-LR-R2015-4/9 in Excel file "BPM\_BDs\_2014--Q4\_3-12.xlsx."
- a. Please revise Excel file "ExigSrchgRevPACK-SERV(4Q14).xlsx,"<sup>8</sup> to reflect the updated billing determinants in USPS-LR-R2015-4/9.
  - b. Please revise Excel file "ExigSrchgRevCUMLTV(2-4Q14, 1Q15).xlsx,"<sup>9</sup> to reflect the corrections made in part(a).

**RESPONSE:**

- a. Please see "ExigSrchgRevPACK-SERV(4Q14)Rev515.xlsx".
- b. Please see "ExigSrchgRevCUMLTV(2-4Q14, 1Q15)Rev.xlsx".

---

<sup>8</sup> See the Revenue Collection Report for Quarter 4 of FY 2014, filed on November 18, 2014.

<sup>9</sup> See the Revenue Collection Report for Quarter 1 of FY 2015, filed on March 27, 2015.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

9. Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx."<sup>10</sup> Please confirm that in tab "G-1 Address Correction," cell D27, the volume should be 13,335 (revenue from cell E27 divided by the Docket No. R2013-11 price in cell M18). If not confirmed, please explain.

**RESPONSE:**

Not confirmed. The volume reported in the Billing Determinants data is from the first quarter of 2014, because FY 2015 data were not available at the time we filed the quarterly FY 2015, Quarter 1 Billing Determinants and Exigent Surcharge Calculation. The FY 2015, Quarter 1 data were not available until late in the second quarter. The footnote identifying the need to use old data was unintentionally deleted from the filed spreadsheet. The correct volume for cell D27 is 6,129 with revenue of \$1,532.25.

---

<sup>10</sup> See the Revenue Collection Report for Quarter 1 of FY 2015, filed on March 27, 2015.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 10.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "G-5 Bulk Parcel Return Service."
- a. Please provide the source (data system) of the values in column C. If the values result from calculations, please provide the calculations including the source of all inputs.
  - b. Please confirm that the volume in cell C10 should be 80,908 (revenue from cell D10 divided by the Docket No. R2013-11 price in cell J9). If not confirmed, please explain.

**RESPONSE:**

- a. The source for cell C10 is the RPW Extract File, without the need for any calculations.
- b. Not Confirmed. The volume in cell C10 should be 122,046, as the RPW Extract line item "Bulk Parcel Return Service PSLW" was not included with the line items "Bulk Parcel Return Service STD Mail Regular" and "Bulk Parcel Return Service STD Mail Nonprofit." The correct revenue is \$360,035.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

11. Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "G-2 Business Reply Mail."
- a. Please provide the source (data system) of the values in column C. If the values result from calculations, please provide the calculations including the source of all inputs.
  - b. Please confirm that the values in cells I22 and I23 should be 47 and 2,746, respectively (revenue from cell D10 divided by the Docket No. R2013-11 prices in cells K22 and K23, respectively). If not confirmed, please explain.

**RESPONSE:**

- a. The source of rows 9 to 13 is the RPW Extract file. The values reported in cells C18 to C21 are from the General Ledger. None of these figures needs to be calculated.
- b. Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 12.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "G-3 Certificates of Mailing." Please confirm that cells D41, D42, and D43 should be 1,569,323, 5,394, and 3,986 respectively (revenues from cells C41, C42, and C43 divided by their respective Docket No. R2013-11 prices in column J). If not confirmed, please explain.

**RESPONSE:**

Not Confirmed. These volumes and revenues are not calculated, but are instead taken directly from the RPW Extract File. Dividing the revenue reported in the RPW extract file by the volume reported in the RPW extract file frequently does not result in a value that equals the prevailing price, because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 13.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-1 Certified Mail."
- a. Please provide the source (data system) of the values in column C. If the values result from calculations, please provide the calculations including the source of all inputs.
  - b. Please confirm that the value in cell C9 should be 47,281,279 (revenue from cell D9 divided by the Docket No. R2013-11 price in cell H10). If not confirmed, please explain.

**RESPONSE:**

- a. The source is the RPW Extract file, without any need for calculations.
- b. Not confirmed. The volume is not derived, but instead is taken directly from the RPW extract file. Dividing the revenue reported in the RPW extract file by the volume reported in the RPW extract file frequently does not result in a value that equals the prevailing price, because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 14.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-2 COD."  
Please reconcile the revenues in cell C34 and cell L27.

**RESPONSE:**

The revenue reported in cell C34 is a summation of revenue reported in the RPW Extract file. The revenue in cell L27 equals the sum of the volumes reported in the RPW Extract file times the Docket No. R2013-11 prices. These values are not equal because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 15.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-11 USPS Tracking."
- a. Please provide the source (data system) of the values in column C. If the values result from calculations, please provide the calculations including the source of all inputs.
  - b. Please confirm that the values in cells C11 and C16 should be 5,357,807 and 833,665, (revenues in cell D11 and D16 divided by the Docket No. R2013-11 price in cell I7). If not confirmed, please explain.

**RESPONSE:**

- a. The source is the RPW Extract file, without any need for calculations.
- b. Not confirmed. The volumes reported in cells C11 and C16 are taken directly from the RPW Extract file. Dividing the revenue reported in the RPW extract file by the volume reported in the RPW extract file frequently does not result in a value that equals the prevailing price, because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 16.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "H-7 CC Authentication."
- a. Please provide the source (data system) of the value in cell C9. If the value results from a calculation, please provide the calculation including the source of all inputs.
  - b. Please confirm that the value in cell C9 should be 3,291,140 (revenue in cell C7 divided by the Docket No. R2013-11 price in cell H8). If not confirmed, please explain.

**RESPONSE:**

- a. The source of the data is Address Management Services, without the need for any calculations.
- b. Not confirmed. Cell C9 reflects the fact that during Quarter 1, 308 refunds of \$1.05 each were issued, reducing the revenue number (but not the volume number).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

17. Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx." Please reconcile cells C52 and K43 in tab "F-6 Registered Mail."

**RESPONSE:**

The revenue reported in Cell C52 is a sum of revenues reported in the RPW Extract file. The revenue in cell K43 is the sum of the volumes reported in the RPW Extract file times the appropriate Docket No. R2013-11 prices. These values are not equal because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 18.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-7 Restricted Delivery."
- a. Please provide the source (data system) of the value in cell C8. If the value results from a calculation, please provide the calculation including the source of all inputs.
  - b. Please confirm that the value in cell C8 should be 361,700 (revenue in cell D8 divided by the Docket No. R2013-11 price in cell I7). If not confirmed, please explain.

**RESPONSE:**

- a. The source data for value in cell C8 is the RPW Extract file.
- b. Not confirmed. The value in cell C8 is the volume reported in the RPW Extract file. Dividing the revenue reported in the RPW extract file by the volume reported in the RPW extract file frequently does not result in a value that equals the prevailing price, because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 19.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "H-4 First Class Presort Permits."
- a. Please provide the source (data system) for the value in cell C8. If this value results from a calculation, please provide the calculation including the source of all inputs.
  - b. Please reconcile the volume of paid First-Class Mail Presort Permits in cell C8 with the volume calculated by dividing revenue in cell C6 by the R2013-11 price in cell H7 ( $\$1,520,640/\$220 = \$6,912$ ).

**RESPONSE:**

- a. The source for the value in cell C8 is the revenue reported in the General Ledger divided by the Permit fee (as shown in the question above).
- b. The correct volume is 6,912, as calculated in the question. The revenue was unintentionally divided by the Docket No. R2013-11 Account Maintenance fee (instead of the Permit fee) to determine the original value in cell C8.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 20.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "J-1-2-3 Other Income."
- a. Please provide the source (data system) of the value in cell G9.
  - b. Please confirm that the value in G8 should be 61,407 (the revenue in cell D12 minus the revenue for Zip Coding of Mailing Lists (4 times the R2013-11 price in I9 divided by the R2013-11 price in I8). If not confirmed, please explain.
  - c. Please confirm that the value in cell G7 should be 8,201 (the revenue in cell D9 divided by the R2013-11 price in I7). If not confirmed, please explain.
  - d. Please confirm that the value in cell G10 should be 2,590 (the revenue in cell D16 divided by the R2013-11 price in I10). If not confirmed, please explain.

**RESPONSE:**

- a. Only a single revenue number is reported in the General Ledger for the Correction, Sequencing, and ZIP Coding of Mailing Lists services. At a point in the past a significant effort was made to determine a volume for ZIP Coding of Mailing Lists, which at that time was 4. Absent newer data for this service, we have continued to use 4 as the value in cell G9.
- b. Confirmed.
- c. Confirmed.
- d. Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 21.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "Exigent Surcharge Revenue."
- a. Please provide the source (the data system) of the value in cell E65.
  - b. Please reconcile the value in cell E65, with cell I33 in "Q115\_MKT\_DOMINANT\_INTL\_BD.xls," workbook tab "INTL FEES & SERVICES."

**RESPONSE:**

- a. The intended source was the International Special Services Exigent Surcharge calculation document, but inadvertently the values from that file were not entered into cells D65 and E65 in Quarter 1. Those values are 4,119,372 and 4,290,194 respectively.
- b. Cell I33 is correct.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 22.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-3 Insurance."
- a. Please provide the source (data system) for cells C8 through C60. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. Please reconcile the revenue in cell C66 with the revenue in cell K62.
  - c. Please reconcile the revenue in cell C67 with the revenue in cell K61.
  - d. Please reconcile the revenue in cell C64 with the revenue in cell K59.
  - e. Please confirm that the Bulk Insurance Revenue in cell C66 divided by the Bulk Insurance volume in cell C60 equals a unit revenue of \$5.00. If confirmed, please explain why the calculated unit revenue differs from the Docket No. R2013-11 price (\$4.48 in cell H62). If not confirmed, please explain.
  - f. Please confirm that the MRS Insurance Revenue in cell C67 divided by the MRS volume in cell C59 equals a unit revenue of \$7.00. If confirmed, please explain why the calculated unit revenue differs from the Docket No. R2013-11 price (\$7.32 in cell H61). If not confirmed, please explain.

**RESPONSE:**

- a. The source of the volume data is RPW Extract file (one number for insurance over \$1,000) distributed using a distribution key based on the transaction level data for FY 2014.
- b. The correct revenue for cell K62 is 17,115, which is the value reported in cell C66.
- c. The correct revenue for cell K61 is 163,898, which is the value reported in cell C67.
- d. The use of the FY 2014 volume distribution key for insurance levels greater than \$1,000 results in a volume distribution that prevents calculated revenue from exactly matching the revenue reported in the RPW for Quarter 1. As part of the development of the FY 2015 Annual

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

Billing Determinants, a FY 2015 distribution key will be developed and it will be applied to the revised quarterly Billing Determinants at that time.

Given that the quarterly Billing Determinants for FY 2015 are preliminary, the FY 2014 distribution key is used until that time.

- e. Confirmed. A formula error resulted in the per piece revenue being incorrect.
- f. Confirmed. A formula error resulted in the per piece revenue being incorrect.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 23.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-3a Express Mail Insurance."
- a. Please provide the source (data system) for cells C9 through C19. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. Please reconcile the revenues in cell C23 and cell L19.

**RESPONSE:**

- a. The overall volume is distributed using the last break out of Express Mail Insurance before its granularity was reduced in the RPW Extract File. At that time Express Mail Insurance was reported at \$1,000 increments, and the volume was equally distributed between the \$500 increments that are used for pricing. That distribution key was retained and not updated as part of the FY 2014 Annual Billing Determinants, as the plan was to eliminate the Express Mail Insurance price table. The distribution key and calculations are provided in the "POIR 17Q23-24 SS Supporting Data.xlsx" file.
- b. The revenue reported in cell C23 is the sum of the revenues reported in the RPW Extract File. The revenue reported in cell L19 is the sum of the products of each Billing Determinant volume times its Docket No. R2013-11 price.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 24.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-5 Money Orders."
- a. Please provide the source (the data system) for the values in column C. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. Please reconcile the revenues in column D with the revenues in column L.

**RESPONSE:**

- a. APO/FPO Money Order data is from the General Ledger. Money Order Inquiry Data is provided by the St. Louis Accounting Service Center. Total Money Order revenue and volume is reported in the RPW Extract file. The methodology for calculation is provided in the "POIR 17Q23-24 SS Supporting Data.xlsx" file.
- b. There was an error in the revenue allocation between up to \$500 and over \$500, and the volume reported for Money Order Inquiry Fees included those inquiries that are answered free of charge.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 25.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-4 PO Boxes."
- a. Please confirm that the values in cells C8 through G14 represent the number of P.O. Boxes that were leased and paid for in Quarter 1 of FY 2015, not the total number of P.O. Boxes being leased including those that were paid for in a previous quarter. If not confirmed, please explain.
  - b. Please confirm that the volume of 6-month leases in cells C65 through G71 should be the total volume of 6-month leases in cell C31 multiplied by the distribution key proportions in cells C36 through G42. If not confirmed, please explain.
  - c. Please confirm that the revenue in cell O168 includes revenues for the products "Duplicate Key" and "Lock Replacement." If not confirmed, please explain.

**RESPONSE:**

- a. Confirmed.
- b. Not Confirmed. The volume in cells C65 through G71 are one half of the 6-month leases reported in C31. For a single quarter only half of the revenue for a 6-month rental is accrued. As a result, only half of the volume is used for a single quarter, so that the prices used are the full prices (rather than one-half of the prices).
- c. Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 26.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "Exigent Surcharge Revenue."
- a. Please confirm that the value in cell E30 should be 6,641 from workbook tab "F-14 Premium Stamped Cards" cell C7. If not confirmed, please explain.
  - b. Please confirm that the value in cell D30 should be 6,446 (6,641 divided by (0.34/0.33)). If not confirmed, please explain.

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 27.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "Exigent Surcharge Revenue."
- a. Please confirm that the value in cell E31 should be 602 from tab "F-15 Premium Stamped Stationery" cell C6. If not confirmed, please explain.
  - b. Please confirm that the value in cell D31 should be 577 (602 divided by (0.49/0.47)). If not confirmed, please explain.

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 28.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-12 Signature Confirmation."
- a. Please provide the source (data system) for the values in column C. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. Please reconcile the revenues in column D with the revenues in column M.

**RESPONSE:**

- a. The source data for column C is the RPW Extract file, without the need for any calculations.
- b. The revenues report in column D are directly from the RPW Extract file.  
  
The revenues reported in column M are the result of multiplying the RPW Extract file volumes times the Docket No. R2013-11 prices. These values are not equal because of customers overpaying or underpaying for the service. Sometimes customers do not apply the correct postage or apply postage based on an outdated price list.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 29.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-17 SFS."
- a. Please provide the source (data system) for the values in column cells C12 and C13. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. For Custom Order and International, the transaction volumes in Column C equal the revenues in Column D divided by the Docket No. R2013-10 prices. Please confirm that the number of transactions in cells C12 and C13 should be 349 and 983, respectively (revenues from cells D12 and D13 divided by the Docket No. R2013-11 prices in cells J10 and J11). If not confirmed, please explain.

**RESPONSE:**

- a. The values in Cell C12 and C13 are provided by Stamp Services, without the need for any calculations.
- b. Not confirmed. The Docket No. R2013-10 prices were mistakenly used to calculate the revenues in the Quarter 1 Billing Determinants. Using the Docket No. R2013-11 prices results in 366 custom orders and 1,022 international orders in cells C12 and C13.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 30.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-10 Stamped Cards."
- a. Please provide the source (data system) for the values in column C. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. The transaction volume in cell C11 equals the revenue in cell D11 divided by the Docket No. R2013-10 price in cell H11. Please confirm that the number of transactions in cells C11 should be 1,035 (revenue from cell D11 divided by the R2013-11 price in cell I11). If not confirmed, please explain.

**RESPONSE:**

- a. The source is the RPW Extract file for Stamped Cards. For 4-up and premium options the source is Stamp Services. No calculations are made to determine these values.
- b. Not confirmed. The revenue reported in the Billing Determinants was derived using the Docket No. R2013-10 prices, but contained the correct volume.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

31. Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "F-9 Stamped Envelopes."
- a. Please provide the source (data system) for the values in column C. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. Please confirm that the volumes in cells C9 and C10 should be 332,477 and 4,742,199 (revenues from cells D9 and D10 divided by the Docket No. R2013-11 price in cell I12). If not confirmed, please explain.
  - c. Please confirm that the volume in cell C37 should be 7,422 (revenue in cell D37 divided by the Docket No. R2013-11 price in I24). If not confirmed, please explain.
  - d. Please confirm that the volume in cell C38 should be 1,515 (revenue in cell D38 and divided by the Docket No. R2013-11 price in I25). If not confirmed, please explain.

**RESPONSE:**

- a. The revenue and volume reported for Plain Stamped envelopes (including premium features for plain stamped envelopes) is one-fourth of the FY 2014 revenue and volume, as these data are only available on an annual basis. As part of the production of the FY 2015 annual Billing Determinants, the quarterly data will be updated to reflect one-fourth of the FY 2015 volume and revenue. The volume for Personalized Stamped Envelopes, premium features for personalized stamped envelopes and shipping fees is provided by Stamp Services, without the need for any calculations.
- b-d. Not confirmed. As noted in the response to part a, the reported volumes are one-fourth of the FY 2014 volume and revenue, and will not be updated until the FY 2015 Billing Determinants are filed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 32.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "Exigent Surcharge Revenue."
- a. Please confirm that the value in cell E42 should be 1,106,093, the sum of cells D9 and D10 from workbook tab "G-6 Standard Mail Weighted Fee." If not confirmed, please explain.
  - b. Please confirm that the value in cell D42 should be 1,060,946 (1,106,093 divided by (0.49/0.47)). If not confirmed, please explain.

**RESPONSE:**

- a. Confirmed.
- b. Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 33.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "AEC II."
- a. Please provide the source (data system) for the value in cell B8. If this value results from a calculation, please provide the calculations including sources of all inputs.
  - b. Please confirm that the Address Element Correction revenue in cell C8 divided by the Address Element Correction volume in cell B8 equals a unit revenue of \$0.33. If confirmed, please explain why the calculated unit revenue differs from the Docket No. R2013-11 price (\$0.32 in cell H7). If not confirmed, please explain.

**RESPONSE:**

- a. The source is the RPW Extract File.
- b. Confirmed. There was an error in the reporting of AEC II volume and revenue. The corrected volume for the First Quarter is 977,950, with revenue of \$312,944.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 34.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "City State."
- a. Please provide the source (data system) for the value in cell C8. If this value results from a calculation, please provide the calculations including sources of all inputs.
  - b. Please confirm that the revenue in cell D8 divided by the volume in cell C8 equals a unit revenue of \$410.27. If confirmed, please explain the discrepancy between calculated unit revenue and the Docket No. R2013-11 price (\$410.00 in cell I8). If not confirmed, please explain.

**RESPONSE:**

- a. The source is Address Management Services, without the need for any calculations.
- b. Confirmed. The revenue presented in cell D8 included fees paid for a FOIA request relating to this service; those fees should not have been treated as City State revenue. The value in cell D8 should be 52,480, which when divided by the volume in cell C8 results in a unit revenue of \$410.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 35.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "Z4 (ZIP 4) Change."
- a. Please provide the source (data system) for the value in cell C9. If this value results from a calculation, please provide the calculations including sources of all inputs.
  - b. Please confirm that the revenue in cell D9 divided by the volume in cell C9 equals a unit revenue of \$3,550. If confirmed, please explain why the calculated unit revenue differs from the Docket No. R2013-11 price (\$3,545 in cell I8). If not confirmed, please explain.

**RESPONSE:**

- a. The source is the RPW Extract file.
- b. Confirmed. An incorrect price of \$3,550 was unintentionally charged to both customers during the Quarter 1.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- 36.** Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "National Zone Charts."
- a. Please provide the source (data system) for the value in cell C9. If this value results from a calculation, please provide the calculations including sources of all inputs.
  - b. Please confirm that the revenue in cell D9 divided by the volume in cell C9 equals a unit revenue of \$66. If confirmed, please explain why the calculated unit revenue differs from the Docket No. R2013-11 price (\$63 in cell I9). If not confirmed, please explain.

**RESPONSE:**

- a. The source is the RPW Extract file.
- b. Confirmed. The Quarter 1 Billing Determinants for National Zone Charts inadvertently presented the revenue and volume for DMM Labeling Lists. This error was carried over to the "ExigSrchgRevSPEC-SERV(1Q15).xlsx" file. The correct volume and revenue are 27 and \$1,701, respectively.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

37. Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "NCOALink."
- a. Please provide the source (data system) for the values in column C. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. Please confirm that the revenue in cell D9 divided by the volume in cell C9 equals a unit revenue of \$1,175. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$6,050 in cell I9). If not confirmed, please explain.
  - c. Please confirm that there should be no entries in cells C15 and D15. If not confirmed, please explain and show how the entries affect the exigency surcharge calculation.
  - d. Please confirm that the revenue in cell D16 divided by the volume in cell C16 equals a unit revenue of \$8,865. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$17,700 in cell I16). If not confirmed, please explain.
  - e. Please confirm that the revenue in cell D17 divided by the volume in cell C17 equals a unit revenue of \$8,773. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$8,865 in cell I17). If not confirmed, please explain.

**RESPONSE:**

- a. The source is Address Management Services. No calculations are performed.
- b. Confirmed. The values in cells C9 and D9 should have been reported in cells C10 and D10.
- c. Confirmed. There should be no entries in cells C15 and D15.
- d. Confirmed. Entries in cells C16 and D16 should have been in cells C17 and D17. Initial site fees for Limited Service Providers are \$17,700; additional sites fees for Limited Service Providers are \$8,865.

**Comment [A1]:** We will need supporting documentation from Memphis for this.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17**

- e. Confirmed. In December a new Limited Service Provider was licensed and paid a prorated amount of \$7,387.50, causing the average unit revenue to be less than the Docket No. R2013-11 price.